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DEPARTMENT OF COMMERCE

INTERNATIONAL TRADE ADMINISTRATION

A-580-883

Certain Hot-Rolled Steel Flat Products from the Republic of Korea: Final Results of Antidumping Duty Administrative Review; 2016-2017

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (Commerce) determines that certain hot-rolled steel flat products (hot-rolled steel) from the Republic of Korea (Korea) were sold in the United States at less than normal value (NV) during the period of review (POR) March 22, 2016 through September 30, 2017.

DATES: Effective [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Benito Ballesteros or Justin Neuman, AD/CVD Operations, Office V, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, D.C. 20230; telephone: (202) 482-7425 or (202) 482-0486, respectively.

SUPPLEMENTARY INFORMATION:

Background

On November 14, 2018, Commerce published the *Preliminary Results* of this review in the *Federal Register*.¹ Commerce conducted verification of mandatory respondents, Hyundai Steel Company (Hyundai Steel) and POSCO, and certain U.S. affiliates in March and April

¹ See *Certain Hot-Rolled Steel Flat Products from the Republic of Korea: Preliminary Results of Antidumping Duty Administrative Review; 2016-2017*, 83 FR 56821 (November 14, 2018) (*Preliminary Results*), and accompanying Preliminary Decision Memorandum (PDM).

2019. In accordance with 19 CFR 351.309, we invited interested parties to comment on the *Preliminary Results*. Between May 21, 2019 and June 10, 2019, Commerce received timely filed case and rebuttal briefs from various interested parties.

On December 21, 2018, Commerce extended the deadline for the final results of this review.² Commerce also exercised its discretion to toll all deadlines affected by the partial federal government closure from December 22, 2018 through the resumption of operations on January 29, 2019.³ On June 3, 2019, Commerce again extended the deadline for the final results.⁴ Thus, the deadline for the final results of this administrative review is June 21, 2019.

Commerce conducted this review in accordance with section 751(a) of the Tariff Act of 1930, as amended (the Act).

Scope of the Order

The product covered by this review is hot-rolled steel from Korea. For a full description of the Scope, *see* the Issues and Decision Memorandum.⁵

Analysis of Comments Received

We addressed all issues raised in the case and rebuttal briefs in the Issues and Decision Memorandum, which is hereby adopted by this notice. The issues are identified in the Appendix to this notice. The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty

² See Memorandum, "Certain Hot-Rolled Steel Flat Products from the Republic of Korea: Extension of Deadline for Final Results of Antidumping Duty Administrative Review," dated December 21, 2018.

³ See Memorandum to the Record from Gary Taverman, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance, "Deadlines Affected by the Partial Shutdown of the Federal Government," dated January 28, 2019. All deadlines in this segment of the proceeding have been extended by 40 days.

⁴ See Memorandum, "Certain Hot-Rolled Steel Flat Products from the Republic of Korea: Extension of Deadline for Final Results of Antidumping Duty Administrative Review," dated June 3, 2019.

⁵ See Memorandum, "Certain Hot-Rolled Steel Flat Products from the Republic of Korea: Issues and Decision Memorandum for the Final Results of the 2016-2017 Antidumping Duty Administrative Review," dated concurrently with this notice (Issues and Decision Memorandum).

Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov> and in the Central Records Unit, room B8024 of the main Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly on the Internet at <http://enforcement.trade.gov/frn/index.html>. The signed Issues and Decision Memorandum and the electronic version of the Issues and Decision Memorandum are identical in content.

Changes Since the *Preliminary Results*

Based on our review and analysis of the comments received and our findings at verification, we made certain changes to the margin calculations for both Hyundai Steel and POSCO. For a discussion of these changes, *see* the Issues and Decision Memorandum.

Rate for Non-Examined Companies

The statute and Commerce's regulations do not address the establishment of a rate to be applied to companies not selected for individual examination when Commerce limits its examination in an administrative review pursuant to section 777A(c)(2) of the Act. Generally, Commerce looks to section 735(c)(5) of the Act, which provides instructions for calculating the all-others rate in a market economy investigation, for guidance when calculating the rate for companies which were not selected for individual examination in an administrative review. Under section 735(c)(5)(A) of the Act, the all-others rate is normally "an amount equal to the weighted average of the estimated weighted average dumping margins established for exporters and producers individually investigated, excluding any zero or *de minimis* margins, and any margins determined entirely {on the basis of facts available}."

For these final results, we calculated a weighted-average dumping margin that is not zero, *de minimis*, or determined entirely on the basis of facts available for Hyundai Steel and POSCO.

Accordingly, Commerce has assigned to the companies not individually examined a margin of 7.78 percent, which is the simple average of Hyundai Steel's and POSCO's calculated weighted-average dumping margins for these final results.⁶

Final Results of Review

Commerce determines that the following weighted-average dumping margins exist for the period March 22, 2016 through September 30, 2017:

Producer or Exporter	Final Dumping Margins (percent)
Hyundai Steel Company	5.44
POSCO/POSCO Daewoo Co., Ltd. ⁷	10.11
Non-examined companies ⁸	7.78

Disclosure

We intend to disclose the calculations performed for these final results of review within five days of the date of publication of this notice in the *Federal Register*, in accordance with 19 CFR 351.224(b).

Assessment Rate

Pursuant to section 751(a)(2)(C) of the Act and 19 CFR 351.212(b), Commerce shall determine, and U.S. Customs and Border Protection (CBP) shall assess, antidumping duties on

⁶ For more information regarding the calculation of this margin, *see* Memorandum, "Calculation of the Margin for Non-Examined Companies," dated June 21, 2019. Because we cannot apply our normal methodology of calculating a weighted-average margin due to requests to protect business proprietary information, we find this rate to be the best proxy of the actual weighted-average margin determined for the individually-examined respondents.

⁷ In the *Preliminary Results*, Commerce collapsed POSCO and POSCO Daewoo Corporation (PDW). *See Preliminary Results*, and accompanying PDM. As no interested parties commented on the preliminary affiliation finding, Commerce will continue to treat these two companies as a single entity for the final results.

⁸ The non-examined companies subject to this review are: Daewoo International Corp.; Dongbu Steel Co., Ltd.; Dongkuk Industries Co., Ltd.; Marubeni-Itochu Steel Korea; Soon Hong Trading Co.; and Sungjin Co.

all appropriate entries of subject merchandise in accordance with the final results of this review. Commerce intends to issue assessment instructions to CBP 15 days after the date of publication of the final results of this review in the *Federal Register*.

Where the respondent reported reliable entered values, we calculated importer- (or customer-) specific *ad valorem* rates by aggregating the dumping margins calculated for all U.S. sales to each importer (or customer) and dividing this amount by the total entered value of the sales to each importer (or customer).⁹ Where Commerce calculated a weighted-average dumping margin by dividing the total amount of dumping for reviewed sales to that party by the total sales quantity associated with those transactions, Commerce will direct CBP to assess importer- (or customer-) specific assessment rates based on the resulting per-unit rates.¹⁰ Where an importer- (or customer-) specific *ad valorem* or per-unit rate is greater than *de minimis* (i.e., 0.50 percent), Commerce will instruct CBP to collect the appropriate duties at the time of liquidation.¹¹ Where an importer- (or customer-) specific *ad valorem* or per-unit rate is zero or *de minimis*, Commerce will instruct CBP to liquidate appropriate entries without regard to antidumping duties.¹²

For the companies which were not selected for individual review, we will assign an assessment rate based on the methodology described in the “Rates for Non-Examined Companies” section, above.

Consistent with Commerce’s assessment practice, for entries of subject merchandise during the POR produced by Hyundai Steel and POSCO, or the non-examined companies for which the producer did not know that its merchandise was destined for the United States, we will

⁹ See 19 CFR 351.212(b)(1).

¹⁰ *Id.*

¹¹ *Id.*

¹² See 19 CFR 351.106(c)(2).

instruct CBP to liquidate unreviewed entries at the all-others rate if there is no rate for the intermediate company(ies) involved in the transaction.¹³

Cash Deposit Requirements

The following cash deposit requirements will be effective for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication, as provided by section 751(a)(2)(C) of the Act: (1) the cash deposit rate for the companies listed in these final results will be equal to the weighted-average dumping margin established in the final results of this review; (2) for merchandise exported by producers or exporters not covered in this review but covered in a prior segment of the proceeding, the cash deposit rate will continue to be the company-specific rate published for the most recently completed segment of this proceeding in which they were reviewed; (3) if the exporter is not a firm covered in this review or the original less-than-fair-value (LTFV) investigation but the producer is, the cash deposit rate will be the rate established for the most recently completed segment of this proceeding for the producer of the subject merchandise; and (4) the cash deposit rate for all other producers or exporters will continue to be 5.55 percent,¹⁴ the all-others rate established in the LTFV investigation. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

This notice serves as a final reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to

¹³ For a full discussion of this practice, see *Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003).

¹⁴ See *Certain Hot-Rolled Steel Flat Products from Australia, Brazil, Japan, the Republic of Korea, the Netherlands, the Republic of Turkey, and the United Kingdom: Amended Final Affirmative Antidumping Determinations for Australia, the Republic of Korea, and the Republic of Turkey and Antidumping Duty Orders*, 81 FR 67962 (October 3, 2016).

liquidation of the relevant entries during this POR. Failure to comply with this requirement could result in the presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

Administrative Protective Order

This notice also serves as a reminder to parties subject to administrative protective order (APO) of their responsibility concerning the destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return or destruction of APO materials, or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

Notification to Interested Parties

We are issuing and publishing this notice in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.213(h) and 351.221(b)(5) of Commerce's regulations.

/s/ Jeffrey I. Kessler

Jeffrey I. Kessler
Assistant Secretary
for Enforcement and Compliance

June 21, 2019

(Date)

Appendix

List of Topics Discussed in the Issues and Decision Memorandum

I. Summary

II. Background

III. Scope of the Order

IV. Changes Since the Preliminary Results

V. Discussion of the Issues

Comment 1: Usability of Hyundai Steel's Cost Database

Comment 2: Whether Hyundai Steel is Affiliated with Certain Home Market Customers

Comment 3: Application of Adverse Facts Available (AFA) for Hyundai Steel

Comment 4: Hyundai Steel's Sales Under Temporary Import Bond (TIB)

Comment 5: Hyundai Steel's Overrun Sales

Comment 6: Hyundai Steel Gross Unit Price Variables

Comment 7: Hyundai Steel Late Payment Fees

Comment 8: Whether POSAM's Indirect Selling Expense Ratio Should be Revised

Comment 9: Whether Commerce Should Correct Errors Made in the Preliminary Results

Comment 10: Whether POSCO Incorrectly Included Freight Revenues in the Gross Unit Price for UPI's Sales

Comment 11: Whether Commerce Should Apply Partial AFA to POSCO's U.S. Inventory Carrying Costs

Comment 12: Whether Commerce Should Revise UPI's Further Manufacturing G&A Expense Ratio

Comment 13: Whether Commerce Should Revise UPI's G&A and INTEx Ratio Denominators

Comment 14: Whether Commerce Should Revise the Further Manufacturing Cost of UPI's Non-Prime Products

Comment 15: Whether Commerce Should Revise UPI's U.S. Brokerage and Handling Expenses

Comment 16: Whether POSCO/UPI Should Receive a CEP Offset

Comment 17: POSCO's CONNUM-Specific Costs Reporting and Whether to Smooth Cost

Comment 18: Whether Commerce Should Apply the Quarterly Cost Methodology to POSCO

VI. Recommendation

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